

MONTHLY UPDATE

APRIL 2003 -- VOL. 11, NO. 4 -- WASHINGTON STATE DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT -- BOND USERS CLEARINGHOUSE

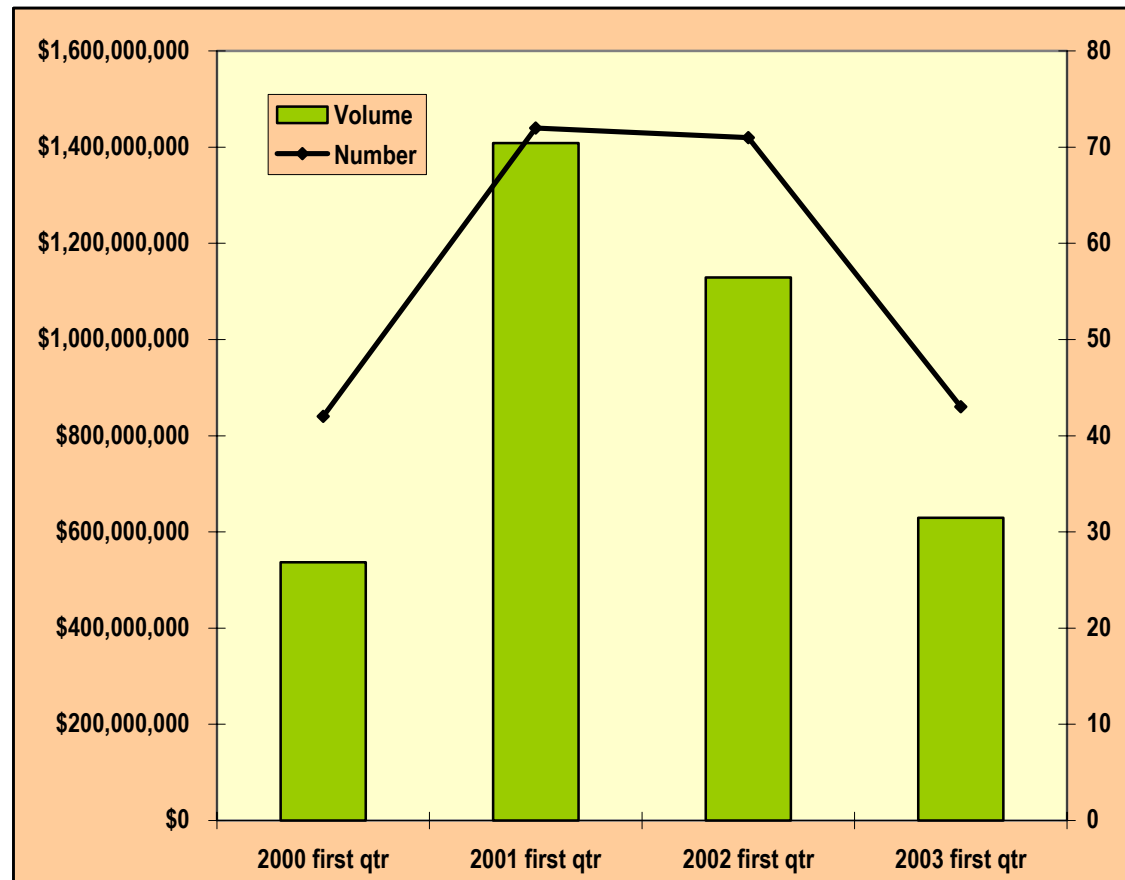
First quarter 2000-2003 debt activity

Debt activity declined to its lowest level in two years during the first quarter of 2003. The volume (or total par value) of issuances fell 55 percent from the first quarter of 2001. However, debt activity was slightly higher than in the first quarter of 2000 (\$629 million vs. \$536 million).

These totals are based on an issue's sales date rather than when it is reported to the Bond Users Clearinghouse, which has been our traditional method of data analysis. The sales date can provide a *somewhat* more current reading of market conditions, but data from recent months should be viewed with caution.

As a case in point, in April 2003 eight of 24 reported debt issues had sales dates prior to March 1.

Friendly reminder: *State law requires debt issuers to file a report within 20 days of issuance. See back page for details.*



Reported issuances in April, ranked by par value

Seq. No.	Issuer Name	Debt Type	Par Value	Sale Date	Maturity Date	Net Interest Cost	Sale Type	New/ Refund/ Combo	UW Spread / \$1,000	Gross UW Spread Total	Bond Counsel Fee	Financial Advisor	Rating: Standard & Poor's	Rating: Moody's
8417	PUD #1 of Snohomish Co.	Rev Notes	\$ 56,925,000	3/25/03	12/1/05	2.072610%	Neg Sale	New	\$3.53	\$ 200,997	\$ 40,000	\$ 15,000	SP-1+	A1
8407	Yelm Community Schools	GO Bonds	\$ 46,015,000	4/10/03	12/1/22	4.557262%	Neg Sale	New	\$5.05	\$ 232,376	\$ 30,000			Aaa
8406	Camas School District #117	GO Bonds	\$ 38,785,000	9/18/02	12/1/18	4.045717%	Neg Sale	Refund	\$5.50	\$ 213,318	\$ 43,000	\$ 116,355		Aaa
8411	PUD #1 of Chelan Co.	Rev Bonds	\$ 29,440,000	5/9/01	7/1/32	6.070481%	Neg Sale	Refund	\$5.99	\$ 176,346	\$ 125,000	\$ 4,000	AAA	Aaa
8409	PUD #1 of Franklin Co.	Rev Bonds	\$ 21,705,000	11/21/02	9/1/22	5.155003%	Neg Sale	Combo	\$5.74	\$ 124,574	\$ 32,000	\$ 38,000	AAA	Aaa
8423	Everett, City of	GO Bonds	\$ 19,200,000	12/12/02	12/1/27	2.782766%	Neg Sale	New	\$6.30	\$ 120,960	\$ 30,000			Aaa
8410	Kitsap Co Housing Auth	Rev Bonds	\$ 16,975,000	3/6/03	7/1/34	4.915169%	Neg Sale	New	\$8.00	\$ 135,800				Aaa
8413	Dieringer School Dist. #343	GO Bonds	\$ 14,650,000	3/27/03	12/1/19	4.730448%	Neg Sale	Combo	\$7.30	\$ 106,945				A3/Aa1/Aaa
8416	Kitsap County	GO Bonds	\$ 10,250,000	1/27/03	12/1/27	4.595%	Neg Sale	New	\$6.86	\$ 70,315	\$ 25,000	\$ 10,000	AAA	Aaa
8414	WA State Housing Fin Com.	Rev Bonds	\$ 6,200,000	4/3/03	4/1/23	6.25%	Priv Plcmnt	New			\$ 50,843	\$ 28,668		
8412	Woodinville Water District	Rev Bonds	\$ 5,015,000	3/25/03	7/1/19	3.6586%	Comp Bids	Refund						Aaa
8402	Northwest Open Access Net.	Rev Notes	\$ 5,000,000	1/15/03	3/31/09	Variable	Priv Plcmnt	New			\$ 5,000			
8400	Arlington School Dist #16	GO Bonds	\$ 4,680,000	3/24/03	6/1/11	2.843434%	Neg Sale	Refund	\$5.67	\$ 26,536				A2/Aa1/Aaa
8405	Battle Ground, City of	GO Bonds	\$ 4,070,000	3/17/03	12/1/22	4.0535276%	Neg Sale	New	\$7.50	\$ 30,525	\$ 9,500		AAA	
8420	Blaine, City of	Rev Bonds	\$ 3,340,000	3/10/03	12/1/15	3.3809840%	Neg Sale	Refund	\$10.37	\$ 34,640	\$ 11,500			
8422	Yelm, City of	Rev Bonds	\$ 2,595,000	4/23/03	12/1/22	4.84%	Neg Sale	New	\$15.75	\$ 40,871	\$ 11,000			
8419	Franklin Pierce S. D. #402	GO Bonds	\$ 2,000,000	4/14/03	4/14/05	Variable	Priv Plcmnt	New						
8421	Highline School Dist. #401	GO Bonds	\$ 1,645,000	4/9/03	12/1/16	0%	Priv Plcmnt	New						
8401	Onalaska School Dist. #300	GO Bonds	\$ 1,500,000	3/20/03	12/1/10	2.841248%	Neg Sale	New	\$8	\$ 12,000	\$ 4,800	\$ 3,000	AA+	
8403	Spokane Valley, City of	Tax Ant Nts	\$ 1,000,000	2/25/03	12/31/03	Variable	Priv Plcmnt	New			\$ 400			
8418	Nine Mile Falls S.D. #325	GO Bonds	\$ 695,000	10/16/02	1/1/06	2.814659%	Neg Sale	Refund	\$9.96	\$ 6,922	\$ 3,100		AA+	
8415	WA State Housing Fin. Com.	Rev Bonds	\$ 468,000	4/3/03	4/1/23	8.25%	Priv Plcmnt	New						
8408	Benton County	RID Bonds	\$ 382,995	4/7/03	5/1/25	4.985%	Neg Sale	New	\$15.01	\$ 5,750				
8404	Colton, Town of	GO Bonds	\$ 63,500	3/3/03		4.50%	Priv Plcmnt	New			\$ 1,375			

Reported issuances in April, grouped by jurisdiction type

Issuer Type	Seq. No.	Issuer Name	Voter-Apprv.	Par Value	Sale Date	Maturity Date	Underlying Security	Financial Advisors	Bond Counsel	Lead Underwriter	Purpose
City/Town	8423	Everett, City of	No	\$ 19,200,000	12/12/02	12/1/27	Taxes		Preston Gates & Ellis	Banc of America S.	Construct public building.
	8405	Battle Ground, City of	No	\$ 4,070,000	3/17/03	12/1/22	Taxes		Preston Gates & Ellis	Martin Nelson & Co.	Purchase new city hall building.
	8420	Blaine, City of	No	\$ 3,340,000	3/10/03	12/1/15	Water/sew. rev.		Preston Gates & Ellis	D.A. Davidson & Co.	Refund outstanding revenue bonds.
	8422	Yelm, City of	No	\$ 2,595,000	4/23/03	12/1/22	Water rev.		Preston Gates & Ellis	Martin Nelson & Co.	Improve water system.
	8403	Spokane Valley, City of	No	\$ 1,000,000	2/25/03	12/31/03	Taxes, rev.		Preston Gates & Ellis	Farmers & Merch. B.	Finance pending receipt of taxes/rev.
	8404	Colton, Town of	No	\$ 63,500	3/3/03		Taxes		Preston Gates & Ellis	USDA, Rural Dev.	Acquire fire truck and equipment.
County	8416	Kitsap County	No	\$ 10,250,000	1/27/03	12/1/27	Taxes	Western Financial G.	Preston Gates & Ellis	Banc of America S.	Expand jail and public works building.
	8408	Benton County	No	\$ 382,995	4/7/03	5/1/25	RID taxes		Foster Pepper & Shef.	D.A. Davidson & Co.	Repay interfund loans for RIDs.
Housing	8410	Kitsap Co. Housing A.	No	\$ 16,975,000	3/6/03	7/1/34	Project rev.	Sound Finance G.	Foster Pepper & Shef.	Banc of America S.	Construct govt. office bldg.
Muni. Corp.	8402	NW. Open Access Net.	No	\$ 5,000,000	1/15/03	3/31/09	Telecom rev.		Preston Gates & Ellis	Bank of America	Cap. costs of new leases/contracts.
PUD	8417	PUD #1, Snoh. Co.	No	\$ 56,925,000	3/25/03	12/1/05	Electric rev.	A.Dashen & Assoc.	Preston Gates & Ellis	Salomon Smith B.	Litigation settlement.
	8411	PUD #1 Chelan Co.	No	\$ 29,440,000	5/9/01	7/1/32	Power rev.	Seattle-Northwest S.	Orrick, Herrington & S.	Lehman Brothers	Refund a portion of hydro rev. bonds.
	8409	PUD #1, Franklin Co.	No	\$ 21,705,000	11/21/02	9/1/22	Electric rev.	Seattle-Northwest S.	Preston Gates & Ellis	UBS PaineWebber	Cap. proj., pay RAN, refund bonds.
School Dist.	8407	Yelm Community S.	No	\$ 46,015,000	4/10/03	12/1/22	Taxes		Foster Pepper & Shef.	Banc of America S.	Modernize, expand schools.
	8406	Camas S.D. #117	No	\$ 38,785,000	9/18/02	12/1/18	Taxes	DBS Financial S.	Preston Gates & Ellis	Banc of America S.	Refund certain outstanding bonds.
	8413	Dieringer S.D. #343	Yes	\$ 14,650,000	3/27/03	12/1/19	Taxes		Foster Pepper & Shef.	Seattle-Northwest S.	Construct new school, refund bonds.
	8400	Arlington S.D. #16	Yes	\$ 4,680,000	3/24/03	6/1/11	Taxes		Foster Pepper & Shef.	Seattle-Northwest S.	Refund 1992 and 1993 GO bonds.
	8419	Franklin Pierce #402	No	\$ 2,000,000	4/14/03	4/14/05	Gen. fund./state		Foster Pepper & Shef.	Bank of America	Various school construction projects.
	8421	Highline S.D. #401	No	\$ 1,645,000	4/9/03	12/1/16	Gen. fund	Seattle-Northwest S.	Foster Pepper & Shef.	Skagit State Bank	Water/energy conserv. imprvmnts.
	8401	Onalaska S.D. #300	Yes	\$ 1,500,000	3/20/03	12/1/10	Taxes	DBS Financial S.	Lukins & Annis, P.S.	Seattle-Northwest S.	Acquire, construct, install imprvmnts.
	8418	Nine Mile Falls #325	No	\$ 695,000	10/16/02	1/1/06	Taxes		Preston Gates & Ellis	Seattle-Northwest S.	To refund outstanding bonds.
State	8414	WA State Housing F.C.	No	\$ 6,200,000	4/3/03	4/1/23	Mortg../deed	CSG, Inc.	Preston Gates & Ellis		Acquire, rehab, expand aptmnts.
	8415	WA State Housing F.C.	No	\$ 468,000	4/3/03	4/1/23	Mortg../deed	CSG, Inc.	Preston Gates & Ellis		Acquire, rehab, expand aptmnts.
Water/Sewer	8412	Woodinville Water D.	No	\$ 5,015,000	3/25/03	7/1/19	Water/sew. rev.	Sound Finance G.	Foster Pepper & Shef.	Legg Mason Wood W.	Refund water/sewer rev. bonds.

THE FOLLOWING LIST identifies bond issuances reported to the Department of Community, Trade and Economic Development in the last month. Reporting of bond issuances is voluntary and this list is not exhaustive. If you have any comments or questions about these issuances or the Bond Users Clearinghouse program, please contact Steve Salmi at 360/725-3021 or steves@cted.wa.gov.

Issue No.	Par Value Bond Counsel Gross Underwriter Spread / \$1,000 Gross UW Spread Total	Issue Debt Type Issuer Type Principal User	Interest Rate* Rating(s): Stndrd/Poor's Moody's Other	Sale Type New/Refund/ Combo Sale Date Maturity Date	Bond Counsel Lead Underwriter Financial Advisor Insurer	Voter Underlying Security	Purpose
<i>* Interest Rate = Net Interest Rate as Reported</i>							
8400	\$4,680,000 \$0 \$5.67 \$26,536	Arlington School Dist. No. 16 GO Bonds School District Same	2.843434% No Rating A2/Aa1/Aaa No Rating	Neg Sale Refund 3/24/2003 6/1/2011	Foster Pepper & Shefelman Seattle-Northwest Securities FSA	Yes Ad valorem taxes	Refund 1992 and 1993 GO bonds.
8401	\$1,500,000 \$4,800 \$8 \$12,000	Onalaska School Dist. No. 300 GO Bonds School District Same	2.841248% AA+ No Rating No Rating	Neg Sale New 3/20/2003 12/1/2010	Lukins & Annis, P.S. Seattle-Northwest Securities DBS Financial Services	Yes Ad valorem taxes	To acquire, construct and install capital improvements.
8402	\$5,000,000 \$5,000 \$0	Northwest Open Access Network Revenue Notes Municipal Corporation Same	Variable No Rating No Rating No Rating	Private Plcmnt New 1/15/2003 3/31/2009	Preston Gates & Ellis LLP Bank of America	No Revenue from NoaNet's telecom system	Finance capital expenditures related to new leases and contracts.
8403	\$1,000,000 \$400 \$0	City of Spokane Valley Tax Anticipation Notes City/Town Same	Variable No Rating No Rating No Rating	Private Plcmnt New 2/25/2003 12/31/2003	Preston Gates & Ellis LLP Farmers & Merchants Bank	No Future taxes and revenue	Finance the costs of operating city pending receipt of taxes/revenue
8404	\$63,500 \$1,375 \$0	Town of Colton GO Bonds City/Town Same	4.50% No Rating No Rating No Rating	Private Plcmnt New 3/3/2003	Preston Gates & Ellis LLP USDA, Rural Development	No Taxes within limitation of non-voted bonds	Acquire a fire truck and related equipment.

8405	\$4,070,000 \$9,500 \$7.50 \$30,525	City of Battle Ground GO Bonds City/Town Same	4.0535276% AAA No Rating No Rating	Neg Sale New 3/17/2003 12/1/2022	Preston Gates & Ellis LLP Martin Nelson & Co., Inc. MBIA	No Taxes	Purchase a new city hall building.
8406	\$38,785,000 \$43,000 \$5.50 \$213,318	Camas School District #117 GO Bonds School District Same	4.045717% No Rating Aaa No Rating	Neg Sale Refund 9/18/2002 12/1/2018	Preston Gates & Ellis LLP Banc of America Securities LLC DBS Financial Services WA St Sch Dist Credit Program &	No Taxes	To refund certain outstanding bonds of the district.
8407	\$46,015,000 \$30,000 \$5.05 \$232,376	Yelm Community Schools GO Bonds School District Same	4.557262% No Rating Aaa No Rating	Neg Sale New 4/10/2003 12/1/2022	Foster Pepper & Shefelman Banc of America Securities LLC Financial Security Assurance	No Taxes	Provide funds to modernize and expand existing schools.
8408	\$382,995 \$0 \$15.01 \$5,750	Benton County RID Bonds County Same	4.985% No Rating No Rating No Rating	Neg Sale New 4/7/2003 5/1/2025	Foster Pepper & Shefelman D.A. Davidson & Co.	No Taxes from RID	Repayment of interfund loans for road improvements to RID 11 & 12
8409	\$21,705,000 \$32,000 \$5.74 \$124,574 \$124,574	PUD #1 of Franklin County Revenue Bonds County Same	5.155003% AAA Aaa No Rating No Rating	Neg Sale Combo 11/21/2002 9/1/2022 9/1/2022	Preston Gates & Ellis LLP UBS PaineWebber Inc. Seattle-Northwest Securities MBIA MBIA	No Revenue of the electric system	Provide funds for capital improvements, pay rev. ant. note, and refund 1993 bonds.
8410	\$16,975,000 \$0 \$8.00 \$135,800	Kitsap County Consol. Housing Revenue Bonds Housing Authority Same	4.915169% No Rating Aaa No Rating	Neg Sale New 3/6/2003 7/1/2034	Foster Pepper & Shefelman Banc of America Securities LLC Sound Finance Group, Inc. MBIA	No Project revenues	Finance the construction of a governmental office building in Bremerton.
8411	\$29,440,000 \$125,000 \$5.99 \$176,346	PUD No. 1 of Chelan County Revenue Bonds Public Utility District Power purchasers, two hydro projects	6.070481% AAA Aaa Fitch: AAA	Neg Sale Refund 5/9/2001 7/1/2032	Orrick, Herrington & Sutcliffe Lehman Brothers Inc. Seattle-Northwest Securities MBIA	No Revenues from power purchasers	Refund a portion of hydro revenue bonds.

8412	\$5,015,000 \$0 \$0	Woodinville Water District Revenue Bonds Water/Sewer District Same	3.6586% No Rating Aaa No Rating	Comp Bids Refund 3/25/2003 7/1/2019	Foster Pepper & Shefelman Legg Mason Wood Walker, Inc. Sound Finance Group, Inc. AMBAC	No Revenue of water and sewer system	Refund outstanding 1999 water/sewer revenue bonds.
8413	\$14,650,000 \$0 \$7.30 \$106,945	Dieringer School Dist. No. 343 GO Bonds School District Same	4.730448% No Rating A3/Aa1/Aaa No Rating	Neg Sale Combo 3/27/2003 12/1/2019	Foster Pepper & Shefelman Seattle-Northwest Securities FGIC	Yes Taxes	Construct new elementary school and refund 1993 GO bonds.
8414	\$6,200,000 \$50,843 \$0	WA State Housing Finance Com. Revenue Bonds State Fort Vancouver Partners	6.25% No Rating No Rating No Rating	Private Plcmnt New 4/3/2003 4/1/2023	Preston Gates & Ellis LLP CSG, Inc.	No Mortgage and deed of trust	Acquisition and rehab of 96 existing apartments and addition of 35 new units.
8415	\$468,000 \$0 \$0	WA State Housing Finance Com. Revenue Bonds State Fort Vancouver Partners	8.25% No Rating No Rating No Rating	Private Plcmnt New 4/3/2003 4/1/2023	Preston Gates & Ellis LLP CSG, Inc.	No Mortgage and deed of trust	Acquisition and rehab of 96 existing apartment units and addition of 35 new units.
8416	\$10,250,000 \$25,000 \$6.86 \$70,315	Kitsap County GO Bonds County Same	4.595% AAA Aaa No Rating	Neg Sale New 1/27/2003 12/1/2027	Preston Gates & Ellis LLP Banc of America Securities LLC Western Financial Group MBIA	No Taxes	Remodel and construct an addition to the county jail and public works building.
8417	\$56,925,000 \$40,000 \$3.53 \$200,997	PUD No. 1 of Snohomish County Revenue Notes Public Utility District Same	2.072610% SP-1+ A1 Fitch: A+	Neg Sale New 3/25/2003 12/1/2005	Preston Gates & Ellis LLP Salomon Smith Barney A.Dashen & Associates	No Electric system revenues	Finance litigation settlement with American Electric Power Service Corp.
8418	\$695,000 \$3,100 \$9.96 \$6,922	Nine Mile Falls School Dist. No. 325 GO Bonds School District Same	2.814659% AA+ No Rating No Rating	Neg Sale Refund 10/16/2002 1/1/2006	Preston Gates & Ellis LLP Seattle-Northwest Securities WA St Sch Dist Credit Program	No Taxes	To refund outstanding bonds.

8419	\$2,000,000 \$0 \$0	Franklin Pierce School Dist. No. 402 GO Bonds School District Same	Variable No Rating No Rating No Rating	Private Plcmnt New 4/14/2003 4/14/2005	Foster Pepper & Shefelman Bank of America	No State matching funds and district general fund	Construction projects on various district schools.
8420	\$3,340,000 \$11,500 \$10.37 \$34,640	Blaine, City of Revenue Bonds City/Town Same	3.3809840% No Rating No Rating No Rating	Neg Sale Refund 3/10/2003 12/1/2015	Preston Gates & Ellis LLP D.A. Davidson & Co.	No Revenue from city water/sewer system	Refund outstanding revenue bonds of the city.
8421	\$1,645,000 \$0 \$0	Highline School Dist. No. 401 GO Bonds School District Same	0% No Rating No Rating No Rating	Private Plcmnt New 4/9/2003 12/1/2016	Foster Pepper & Shefelman Purchaser: Skagit State Bank Seattle-Northwest Securities	No Budget and appropriation from general fund	Water and energy conservation improvements at certain schools.
8422	\$2,595,000 \$11,000 \$15.75 \$40,871	Yelm, City of Revenue Bonds City/Town Same	4.84% No Rating No Rating No Rating	Neg Sale New 4/23/2003 12/1/2022	Preston Gates & Ellis LLP Martin Nelson & Co., Inc.	No Net revenues of city's water system	To finance improvements in the city's water system.
8423	\$19,200,000 \$30,000 \$6.30 \$120,960	Everett, City of GO Bonds City/Town Same	2.782766% No Rating Aaa No Rating	Neg Sale New 12/12/2002 12/1/2027	Preston Gates & Ellis LLP Banc of America Securities LLC MBIA	No Taxes	Acquire, construct and equip public building.

Notes on report categories

Principal User. In some cases the principal user will not be the issuer. An example of this arrangement is one in which a state agency (the issuer) issues a bond for a local government body (the principal user).

Debt Type. Abbreviations include Com. Paper (commercial paper), GO Bonds (general obligation), LID Bonds (local improvement district), Rev. Bonds (revenue), Tax Ant. Notes (tax anticipation notes).

Voter Approved? This designates whether the bond issue was approved by a three-fifths vote of the electorate.

Par Value. This is the amount of the principal or aggregate face value of the issue.

Sale date. This is the date of the bond sale. For a competitive offering it is the date of the bid opening. The date of sale for a negotiated offer or a private placement is the date of the signing of the bond purchase agreement.

Interest rate. This is the reported net interest rate, and is calculated with the following formula:

$$\frac{\text{Aggregate Interest Payable (+Discount -Premium)}}{\text{Par Value of Issue} \times \text{Average Life}}$$

Sale Type. There are five categories: Neg Sale (negotiated sale), Comp Bids (competitive bids), Private Plcmnt (private placement), Mini (mini bonds), and NR (not reported). Competitive bids (sometimes called a public sale) are open to any underwriter. A negotiated sale is arranged with an individual underwriter. A private placement is a direct sale to one or more investors, and is not reoffered to the public.

Maturity date. For issuances that have multiple offerings, the date listed is the one farthest into the future.

New/Refund/Combo. This designates whether the issue is original, is intended to refinance existing debt, or is a combination of the two.

Gross underwriting spread. This is the difference between the amount paid to the issuer for the bonds and the amount expected to be yielded when the bonds are resold on the secondary market. The report lists the spread per thousand and/or the total spread.

Reporting bond issues: The legal requirements

Chapter 39.44 RCW requires information on newly issued bonds to be supplied to the Department of Community, Trade and Economic Development (CTED) within 20 days of issuance. The underwriter submits information on a "Bond 101" report form provided by CTED.

In cases where an issue is made without an underwriter, the issuer or its representative supplies the information. The issuer may opt to have an agent, such as an underwriter or bond attorney, complete the form or appropriate portions thereof.

The following agencies have the responsibility of completing reports:

- A state fiscal agency, when it acts as bond registrar for an issue (with local governments supplying all necessary information);
- Local governments issuing debt for whom the state fiscal agency is not the bond registrar;
- State agencies issuing bonds (although, in this case, bond information is requested, not required).

In the first week of each month the Bond Users Clearinghouse produces the *Municipal Bonds Monthly Update*, which summarizes the data from all Bond 101 reports received in the previous month. An archive of debt issues is also maintained. Copies of Bond 101 reports and official statements are available at no charge.

E-mail is faster!

The e-mail edition of the newsletter doesn't need to be printed and snail mailed, so you'll receive it up to two weeks earlier than the print edition. Switch to e-mail by contacting Steve Salmi at steves@cted.wa.gov.

Municipal Bonds is published by the Bond Users Clearinghouse, Washington State Dept. of Community, Trade and Economic Development (CTED), 906 Columbia Street SW, PO Box 48350, Olympia WA 98504-8350

The mission of the Bond Users Clearinghouse is to provide up-to-date information about debt issuances within the state of Washington. The *Municipal Bonds* newsletter began publishing monthly in 1992, and is available at no charge in either a print or e-mail edition. The data is also available in Microsoft Access and Excel formats.

Municipal Bonds summarizes debt issuance information submitted to CTED. We cannot guarantee full compliance with state reporting requirements, so the listings may not be exhaustive.

For more information, contact *Municipal Bonds* editor Steve Salmi at 360/725-3021 or steves@cted.wa.gov.